

Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 EB-07 PA-02 PRS-01
USIA-15 CIAE-00 INR-07 NSAE-00 AID-05 /070 W
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R 080630Z MAY 77
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TO SECSTATE WASHDC 8244
USDOC WASHDC
INFO AMEMBASSY ATHENS
AMCONSUL DHAHRAN
AMCONSUL KADUNA
AMEMBASSY KHARTOUM
AMEMBASSY LAGOS

UNCLAS SECTION 1 OF 2 JIDDA 3318

ATHENS FOR RTDO

E.O. 11652: N/A
TAGS: BEXP, SA
SUBJ: IOWA IOGA TRADE MISSION

SUMMARY: DESPITE DISRUPTION OF JIDDA BUSINESS AND
OFFICIAL SCHEDULING OCCASIONED BY FESTIVITIES AND HOLIDAY
PROCLAMATIONS, IOWA TM HAD A SUCCESSFUL VISIT HERE. MUCH
INTEREST WAS GENERATED FOR THE PRODUCT CATEGORIES REPRESENTED AND IT IS ESTIMATED THAT SALES OVER THE NEXT 12
MONTHS COULD EXCEED \$20 MILLION IF PROPERLY FOLLOWED UP
BY TM MEMBERS. FULL INFORMATION ON SALES DURING THE
MISSION ARE NOT AVAILABLE. END SUMMARY.

1. GOVERNOR ROBERT RAY PROVED TO BE AN EXCELLENT
MISSION LEADER, TACTFUL WITH SAUDI OFFICIALS, AND
RESPONSIVE TO ALL THE DEMANDS PLACED ON HIM BY THE
EMBASSY. THE CALIBER OF THE INDIVIDUAL PARTICIPANTS
WAS GOOD. SEVERAL HAD VISITED OVERSEAS PREVIOUSLY
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AND OTHERS WERE NEW, BUT AS A GROUP THEY WORKED TO-
GETHER EFFECTIVELY. THE FESTIVITIES CONNECTED WITH
THE RETURN OF KING KHALID FROM AN EXTENDED STAY
ABROAD AFTER SUCCESSFUL SURGERY CREATED APPREHENSION
WHETHER ANY APPOINTMENTS COULD BE KEPT. ALTHOUGH
SEVERAL ADJUSTMENTS HAD TO BE MADE, A FULL PROGRAM
WAS PROVIDED GOVERNOR RAY AND MISSION MEMBERS MET

WITH THE MAYOR OF JIDDA, WERE FETED AT A LUNCHEON BY THE BOARD OF DIRECTORS OF THE JIDDA CHAMBER OF COMMERCE AND INDUSTRY, AND HAD ROUND TABLE MEETINGS WITH HEADS OF SOME OF THE MOST PROMINENT LOCAL FIRMS INCLUDING SHEIKH GAITH PHARAON (REDEC), SHEIKH AHMED YUSUF ZEINAL ALIREZA AND MEMBERS OF KAMAL ADHAM'S ARCAN GROUP. A VERY INTERESTING SESSION WAS ALSO HELD WITH THE GOVERNOR OF THE SAUDI ARABIAN MONETARY AGENCY, SHEIKH ABDUL AZIZ QURAISHI. GOVERNOR RAY WAS PRESENTED A CEREMONIAL SWORD BY THE MAYOR AND WALL AND WRISTTIME-PIECES BY THE ALIREZA GROUP. WITH THE EXCEPTION OF THE CONFERENCE WITH SHEIKH AHMED YUSUF ALIREZA WHICH DEGENERATED INTO POLITICAL PHILOSOPHIZING ON THE ARAB-ISRAELI PROBLEM AND THE U.S. ANTI-BOYCOTT ACTIONS TO BE REPORTED SEPARATELY ALL OF THE CONFERENCES WENT EXCEEDINGLY WELL. INTEREST WAS STIMULATED FOR SEVERAL PRODUCT LINES AS NOTED BELOW. FUTURE SALES POTENTIAL APPEARS VERY GOOD IF MISSION MEMBERS FOLLOW UP.

2. THE REDEC FIRM SHOWED HEAVY INTEREST IN GAMACO CORP'S CONCRETE SLAB

MACHINES FOR HIGHWAY DIVIDERS AND REQUESTED INFO ON USE OF MACHINERY FOR CONCRETE IRRIGATION CANALS. WASTE COMPACTION PRODUCED BY WAYNE ENGINEERING CORP. EVOKED MUCH INTEREST AS DID THE PORTABLE TOILETS OFFERED BY THE WOODBINE MFG. CO. WEIDEMANN INDUSTRIES HAS A LETTER OF CREDIT FOR \$600,000 IN JACUZZI-TYPE BATHING POOLS A LATE TAG-ON MEMBER OF THE MISSION, WILLIAM AOSSEY UNCLASSIFIED

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OF CEDAR RAPIDS, HAS BEGUN NEGOTIATING SALE OF DAIRY STOCK AND EQUIPMENT WITH THE ALIREZA GROUP WITH BRIGHT PROSPECTS, HE ALSO HAS GOOD PROSPECTS FOR MARKETING COMPLETE LAUNDROMATS. DURING THE MEETING WITH JIDDA'S MAYOR, SHEIKH MOHAMED SAID FARSI, THE IOWA GROUP WAS INVITED TO DISCUSS AND VISIT THE SITE OF A TURNKEY 4000-UNIT COMMUNITY PLANNED FOR THE JIDDA SUBURBS BY THE SAUDI ORGANIZER, AL-AMOUDI, WHO HAPPENED TO BE VISITING THE MAYOR AT THE SAME TIME. THE MISSION WAS ALSO INVITED TO PARTICIPATE IN AN INDUSTRIAL PARK ORGANIZED BY THE KAMAL ADHAM ENTERPRISE "INTERNATIONAL COMMERCIAL AND INDUSTRIAL ESTABLISHMENT" IN JIDDA. THIS PROJECT IS ESTIMATED TO COST SOME \$400 MILLION. ONE MEMBER PLANS NEGOTIATE FEASIBILITY STUDY FOR THIS PROJECT. MR. MARVIN POMERANTZ PRESIDENT OF THE DES MOINES. IOWA CHAMBER OF COMMERCE, PLANS TO CIRCULATE THIS OPPORTUNITY ON RETURN TO U.S. LAWYER KNOX ADDED PUBLICITY APPEAL TO THE MISSION AND HIS INTERVIEWS

WITH "ARAB NEWS" PRODUCED A HALF-PAGE STORY ON HIS IMPRESSIONS OF SAUDI LEGAL ENVIRONMENT.

3. PRIOR TO THE MISSION'S ARRIVAL, 40 OFFICIAL AND BUSINESS APPOINTMENTS WERE SCHEDULED WITH SAUDI BUSINESSMEN. ONLY 3 APPOINTMENTS WERE CANCELLED AS RESULT OF SURPRISE LOCAL HOLIDAYS. MORE WERE SCHEDULED AFTER ARRIVAL IN JIDDA BUT TWO DAY VISIT HERE HARDLY ALLOWED FOR MORE IN-DEPTH MEETINGS WITHOUT PROPER REST. IN FUTURE ANY TM WITH OVER EIGHT MEMBERS SHOULD PLAN TO STAY IN JIDDA AT LEAST THREE DAYS.

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ATHENS FOR RTDO

4. THE INCLUSION OF GOVERNOR ROBERT RAY ON THIS MISSION PROVIDED A DEFINITE PLUS TO THE EFFORT. THE JIDDA CHAMBER OF COMMERCE HOSTED A LUNCHEON FOR THE GROUP AT THE JIDDA PALACE HOTEL ATTENDED BY 16 OF JIDDA'S MOST IMPORTANT BUSINESSMEN. MEETINGS WITH OTHER OFFICIALS WERE ARRANGED THAT WOULD OTHERWISE HAVE BEEN DIFFICULT IF NOT IMPOSSIBLE, GIVEN THE EXISTING CIRCUMSTANCES IN JIDDA, WHICH WAS ON HOLIDAY FOR THE KING'S RETURN. ONLY THE GOVERNOR OF MECCA, PRINCE FAWWAZ, HAD TO CANCEL HIS PREARRANGED MEETING AND DID SO WITH REGRET. GOVERNOR RAY PROVED TO BE MOST

TACTFUL AND DID HIS BEST TO AVOID CONFRONTATIONS ON THE ARAB BOYCOTT AND OTHER DELICATE POLITICAL SUBJECTS.

5. THE EMBASSY RECEPTION FOR THE MISSION WITNESSED ATTENDANCE BY MANY OF THE MOST PROMINENT JIDDA BUSINESSMEN AND SAUDI OFFICIALS. IT LASTED WELL BEYOND THE 9 P.M. TIME LIMIT. SEVERAL SAUDI BUSINESSMEN BROUGHT UNCLASSIFIED

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WIVES TO THE AFFAIR, A RECENT DEVELOPMENT WHICH HAS INCREASED ATTENDANCE.

6. PUBLICITY:

"ARAB NEWS" RAN A HALF PAGE FEATURE STORY ON THE IOWA MISSION APRIL 29 FOLLOWED BY THE KNOX INTERVIEW MAY 5. AS RESULT OF PRESS LUNCHEON HELD MAY 2, "SAUDI GAZETTE," A BRITISH ORIENTED LOCAL PAPER, PRODUCED A RARE STORY ON THE IOWA VISIT. TWO ADVERTISEMENTS APPEARED IN ARAB-LANGUAGE PAPERS "OKAZ" (MAY 1), AND "BILAD" (MAY 2). A USIS PRESS RELEASE ALSO APPEARED IN LOCAL PAPERS IN MID-APRIL. THESE ARTICLES PRODUCED SEVERAL CALLS AND APPOINTMENTS FOR INTERESTED LOCAL FIRMS.

7. BUDGET

EXPENSES APPROXIMATED \$1,700 EXCLUDING HOTELS, WELL UNDER THE ORIGINAL ESTIMATE. SAVINGS RESULTED FROM USE OF EMBOFF AS FREE PHOTOGRAPHER AND FROM REDUCED AVAILABILITY OF RENTED CARS WHOSE DRIVERS FAILED TO SHOW UP BECAUSE OF HOLIDAYS.

8. PROBLEMS AND RECOMMENDATIONS:

A) THIS WAS THE MOST INTENSIVELY-PROGRAMMED MISSION IN PAST YEAR. EMBASSY UNDERSTANDS WHY IOWA HAD TO REDUCE ITS VISIT TO TWO FULL DAYS (BECAUSE OF PRE-AND POST-JIDDA ACTIVITIES). SHORT VISITS, HOWEVER, HARDLY ALLOWED ANYONE TIME TO DO JUSTICE TO PRODUCTS. AN EXTRA DAY COULD HAVE BEEN FILLED WITH APPOINTMENTS RESULTING FROM RECEPTION AND WITH LONGER VISITS WITH LOCAL BUSINESSMEN.

B) IOWA BROCHURES NEVER ARRIVED, ASIDE FROM SOME COPIES WISELY HANDCARRIED BY MISSION DIRECTOR. THE ARAB ENGLISH BROCHURES WOULD HAVE BEEN PERFECT PROMOTIONAL PIECES.

C) MISSION DIRECTOR SAID HE NEVER SAW JIDDA 2273 UNCLASSIFIED

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WHICH DESCRIBED PROPOSED JIDDA PROGRAM AND WHICH INTER ALIA SPECIFIED EMBASSY'S APO ADDRESS FOR BROCHURES. SINCE IOWA AO HANDCARRIED COPY OF THAT MESSAGE HOME WITH HIM, BELIEVE THIS WAS IOWA, NOT WASHINGTON, PROBLEM.

D) NEEDLESS ACRIMONY DEVELOPED OVER QUESTION OF PAYING HOTEL (ONE-DAY) PENALTY FOR FAILURE OF ONE MISSION MEMBER TO SHOW UP AS SCHEDULED APRIL 29. HE CAME INSTEAD WITH THE MISSION MAY 2 AND HAD TO BE TALKED INTO LEAVING FUNDS WITH CONTROL OFFICER TO PAY THE PENALTY CHARGE.

E) UPON ARRIVAL MAY 2, THE MISSION MEMBER STATED HE WAS GOING IMMEDIATELY TO RIYADH ON PERSONAL BUSINESS, THUS CANCELLING JIDDA APPOINTMENTS. EMBOFF TALKED HIM INTO STAYING WITH PREARRANGED PROGRAM.

9. THANKS TO GOOD HUMOR AND FLEXIBILITY OF GROUP, AND DESPITE HOLIDAY SITUATION, FAILURE OF MOST CONTRACT DRIVERS TO SHOW UP FIRST DAY AND SURPRISE ADDITION OF 16TH MISSION MEMBER - MR. WILLIAM AOSSEY (MID-AMERICA ARABIAN CORP., CEDAR RAPIDS, IOWA, WHO ACCOMPANIED GOVERNOR'S PARTY), THE MISSION HELD TOGETHER AND MOST MEMBER APPARENTLY ACHIEVED THEIR OBJECTIVES. DHAHRAN WILL REPORT SEPARATELY.
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